

**The Fourth Milling Company (Owned by One Person)
(A Saudi Closed Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024

The Fourth Milling Company (Owned by One Person)
(A Saudi Closed Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT

For the three-month and six-month periods ended 30 June 2024

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE SHAREHOLDER OF THE FOURTH MILLING COMPANY (OWNED BY ONE PERSON)
(A SAUDI CLOSED JOINT STOCK COMPANY)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of The Fourth Milling Company ("the Company") as at 30 June 2024, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024 and the related interim condensed statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



Hesham A. Alatiqi
Certified Public Accountant
License No. (523)



Riyadh: 10 Safar 1446H
(14 August 2024)


The Fourth Milling Company (Owned by One Person)
(A Saudi Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	521,096,897	531,967,099
Right-of-use assets	5	354,341,147	362,491,047
Intangible assets	6	57,733,140	56,720,504
TOTAL NON – CURRENT ASSETS		933,171,184	951,178,650
CURRENT ASSETS			
Inventories	7	54,619,714	55,968,172
Prepayments and other current assets	8	14,896,765	15,574,892
Amounts due from related parties	10	1,974,684	22,766,936
Accounts receivables	9	7,879,814	5,210,534
Cash and cash equivalents	11	130,445,204	106,343,470
TOTAL CURRENT ASSETS		209,816,181	205,864,004
TOTAL ASSETS		1,142,987,365	1,157,042,654
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	540,000,000	473,903,170
Proposed increase in share capital	12	-	66,096,830
Actuarial reserve		(461,275)	(425,315)
Retained earnings		144,203,415	143,438,669
TOTAL EQUITY		683,742,140	683,013,354
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current portion of lease liabilities	5	361,969,760	379,268,327
Employees' defined benefits obligation		5,090,742	3,919,993
Deferred tax liabilities, net	14	6,783,121	5,805,761
TOTAL NON-CURRENT LIABILITIES		373,843,623	388,994,081
CURRENT LIABILITIES			
Accounts payables		25,915,284	22,402,300
Accrued expenses and other liabilities	13	21,300,014	26,728,013
Amounts due to a related party	10	-	1,490,643
Current portion of lease liabilities	5	22,986,091	22,986,091
Advances from customers		10,418,663	10,508,589
Zakat and income tax payable	14	4,781,550	919,583
TOTAL CURRENT LIABILITIES		85,401,602	85,035,219
TOTAL LIABILITIES		459,245,225	474,029,300
TOTAL EQUITY AND LIABILITIES		1,142,987,365	1,157,042,654


Chief Financial Officer
Rabih Abdul Kader Nahas


Chief Executive Officer
Khalid Abdul Aziz Al Maktary


Chairman of Board
Headquarters
Badr Quarter, Al Aujan
المقر الرئيسي
الدمام المدينة المنورة الخرج
C.R: 2050110856 س.ت

The attached notes 1 to 26 form an integral part of these interim condensed financial statements.

The Fourth Milling Company (Owned by One Person)
(A Saudi Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2024

	Notes	For the three-month period ended		For the six-month period ended	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		SR	SR	SR	SR
Revenue	15	138,122,688	115,157,855	308,454,092	277,200,350
Direct costs	16	(79,646,619)	(68,896,932)	(165,792,499)	(151,399,651)
GROSS PROFIT		58,476,069	46,260,923	142,661,593	125,800,699
EXPENSES					
Selling and distribution	17	(8,230,416)	(12,237,642)	(26,432,809)	(26,416,977)
General and administration	18	(12,850,104)	(7,542,812)	(24,291,291)	(15,964,275)
TOTAL EXPENSES		(21,080,520)	(19,780,454)	(50,724,100)	(42,381,252)
OPERATING PROFIT		37,395,549	26,480,469	91,937,493	83,419,447
Finance costs		(2,843,763)	(1,970,574)	(5,687,524)	(3,941,148)
Finance income		1,596,222	1,492,495	2,977,258	2,917,443
Other income (expenses), net		53,253	259,407	122,612	(3,698,682)
PROFIT BEFORE ZAKAT AND INCOME TAX		36,201,261	26,261,797	89,349,839	78,697,060
Zakat	14	(420,210)	(1,111,858)	(1,968,126)	(2,001,952)
Deferred income tax	14	(977,360)	(1,003,254)	(977,360)	(4,474,199)
Income tax	14	(1,656,248)	(730,796)	(4,639,607)	(3,292,242)
PROFIT FOR THE PERIOD		33,147,443	23,415,889	81,764,746	68,928,667
OTHER COMPREHENSIVE LOSS		(175,081)	(46,809)	(35,960)	(93,618)
TOTAL COMPREHENSIVE INCOME		32,972,362	23,369,080	81,728,786	68,835,049

Earnings per share (EPS)

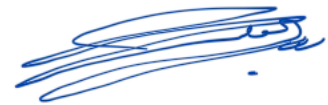
Basic and diluted earnings per share for the period 19 0.06 0.04 0.15 0.13



Chief Financial Officer
Rabih Abdul Kader Nahas



Chief Executive Officer
Khalid Abdul Aziz Al Maktary



Chairman BoD
Bader Hamed Al Aujan



The attached notes 1 to 26 form an integral part of these interim condensed financial statements.

The Fourth Milling Company (Owned by One Person)
(A Saudi Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

	Share capital SR	Proposed increase in share capital SR	Statutory reserve SR	Actuarial reserve SR	Retained earnings SR	Total SR
At 31 December 2023 (audited)	473,903,170	66,096,830	-	(425,315)	143,438,669	683,013,354
Profit for the period	-	-	-	-	81,764,746	81,764,746
Other comprehensive loss	-	-	-	(35,960)	-	(35,960)
Total comprehensive income	-	-	-	(35,960)	81,764,746	81,728,786
Transfer to share capital (note 12)	66,096,830	(66,096,830)	-	-	-	-
Dividends (note 20)	-	-	-	-	(81,000,000)	(81,000,000)
At 30 June 2024 (unaudited)	540,000,000	-	-	(461,275)	144,203,415	683,742,140

	Share capital SR	Proposed increase in share capital SR	Statutory reserve SR	Actuarial reserve SR	Retained earnings SR	Total SR
At 31 December 2022 (audited) (restated, note 24)	473,903,170	-	26,079,424	(238,078)	238,985,770	738,730,286
Profit for the period	-	-	-	-	68,928,667	68,928,667
Other comprehensive loss	-	-	-	(93,618)	-	(93,618)
Total comprehensive income	-	-	-	(93,618)	68,928,667	68,835,049
Dividends (note 20)	-	-	-	-	(100,000,000)	(100,000,000)
At 30 June 2023 (unaudited)	473,903,170	-	26,079,424	(331,696)	207,914,437	707,565,335

Chief Financial Officer
Rabih Abdul Kader Nahas

Chief Executive Officer
Khalid Abdul Aziz Al Maktary

Chairman BoD
Bader Hamed Al Aujan

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The Fourth Milling Company (Owned by One Person)
(A Saudi Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024

	Notes	For the six-month period ended	
		30 June 2024 (Unaudited) SR	30 June 2023 (Unaudited) SR
OPERATING ACTIVITIES			
Profit before zakat and income tax		89,349,839	78,697,060
Adjustments to reconcile profit before zakat and income tax to net cashflows:			
Depreciation for property, plant and equipment		17,884,578	17,624,736
Depreciation of right-of-use assets		8,149,900	9,642,697
Amortisation of intangible assets		209,552	16,306
Interest cost on lease liabilities		5,687,524	3,941,148
Provision for expected credit losses of account receivables		1,478,638	209,869
Provision for employees' defined benefit obligation		1,240,041	1,046,508
Finance income		(1,596,222)	(2,917,443)
		122,403,850	108,260,881
Changes in operating assets and liabilities:			
Inventories		1,348,458	(13,797,171)
Prepayments and other current assets		1,404,347	(2,119,181)
Amounts due from related parties		20,792,252	(1,789,717)
Account receivables		(4,147,918)	(1,101,297)
Accounts payables		3,512,984	(15,433,388)
Accrued expenses and other liabilities		(5,427,999)	(7,243,305)
Amounts due to related parties		(1,490,643)	337,060
Advance from customers		(89,926)	763,084
Net cash from operations		138,305,405	67,876,966
Zakat and income tax paid		(2,745,766)	(13,846,462)
Employees' defined benefit liabilities paid		(105,252)	(21,872)
Net cash flows from operating activities		135,454,387	54,008,632
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(7,014,376)	(4,184,196)
Purchase of intangible assets	6	(1,222,188)	(253,746)
Investment in Islamic short-term Murabaha deposits		-	(20,000,000)
Finance income received		870,002	2,646,110
Net cash flows used in investing activities		(7,366,562)	(21,791,832)
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(22,986,091)	(13,942,184)
Finance costs paid on lease liabilities		-	(3,941,148)
Dividends paid	20	(81,000,000)	(62,135,618)
Net cash flows used in financing activities		(103,986,091)	(80,018,950)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		24,101,734	(47,802,150)
Cash and cash equivalents at the beginning of the period		106,343,470	164,661,627
Cash and cash equivalents at the end of the period		130,445,204	116,859,477

Non-cash transactions:

Classification of capital spares from inventories to property, plant and equipment, net book value

- 12,595,444

Chief Financial Officer
Rabih Abdul Kader Nahas

Chief Executive Officer
Khalid Abdul Aziz Al Maktary

Chairman BoD
Bader Hamed Al Aujan

The attached notes 1 to 26 form an integral part of these interim condensed financial statements.



The Fourth Milling Company (Owned by One Person) (A Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

1. CORPORATE INFORMATION

The Fourth Milling Company is a Saudi Closed Joint Stock Company (the “Company”) owned by One Person, and registered in Dammam, Kingdom of Saudi Arabia under commercial registration numbered 2050110856 dated 10 Safar 1438H (corresponding to 10 November 2016).

The national address of the Company is Building no. 7210, King Abdulaziz Road, King Abdulaziz Sea Port District, Dammam 32211, Kingdom of Saudi Arabia.

The Company’s licensed activities include packing and milling of wheat, maize, Barley and rice, production of flour from rice, manufacture of flour and dough for bakeries, manufacture of concentrated fodder for animal, manufacture of cattle fodder, preparation, milling and pressing of animal feed, animal food and feed stores, storage in warehouse of grain silos, flour and agricultural products, storage of goods in foreign trade zones, wholesale of bakery products and trade of special and healthy food.

The Company was formed by the Public Investment Fund (the “Former Owner”) pursuant to the resolution of the Council of Ministers no. (35) of 27 Muharram 1437H (corresponding to 9 November 2015) approving the adoption of the necessary actions to establish four Joint Stock Flour Milling Companies according to the proposed geographical distribution. The Public Investment Fund, in coordination with the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organization (“SAGO")), completed so in accordance with Royal Decree no. 62 dated 4 Shawwal 1435H (corresponding to 31 July 2014).

On 17 Shawwal 1441H (corresponding to 9 July 2020) the resolution of the Council of Ministers No. 631 states to transfer the ownership to Specialized Committee, and for the Specialized Committee to handle the task that was handled to Public Investment Fund as stated in The Council of Ministers’ resolution no. (118) dated 21 Safar 1440H (corresponding to 30 October 2018).

On 25 Rabi Al-Thani 1443H (corresponding to 30 November 2021), the Company’s share capital of 47,390,317 shares, the value of each share is 10 SR, were wholly sold to Gulf Flour Milling Industrial Company (“the Shareholder”) for the purchase price specified in the share sale and purchase agreement on the same date.

The Company has entered into a subsidised wheat purchase agreement with the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organizations (“SAGO”)) as GFSA imports wheat to Saudi Arabia for the purpose of producing subsidised flour. This Agreement shall enter into force on 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017) and shall be terminated when the Former Owner sells its shares in the Company. The agreement stipulates that the subsidised wheat subsidy price is calculated according to the monetary value per metric ton of subsidised wheat currently specified by the Government of the Kingdom of Saudi Arabia at SR 180 per metric ton. On 15 Rabi Al-Thani 1442H (corresponding to 30 November 2020), the agreement regulating the purchase and sale of subsidised and non-subsidised wheat has been renewed by GFSA, and this agreement is valid until the expiry date of the license of the main purchaser (the “Company”).

The Company operates through its Head Office in Dammam and three branches in the many cities in the Kingdom of Saudi Arabia listed as follows:

<i>City</i>	<i>Date</i>	<i>Commercial Registration Number</i>
Head Office (Dammam)	10 Safar 1438H (corresponding to 10 November 2016)	2050110856
Dammam	30 Jumada Al-Ula 1438H (corresponding to 27 February 2017)	2050111821
Madinah	30 Jumada Al-Ula 1438H (corresponding to 27 February 2017)	4650082090
Kharj	30 Jumada Al-Ula 1438H (corresponding to 27 February 2017)	1011024354

The Fourth Milling Company (Owned by One Person)
(A Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2024

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed financial statements of the Company for the three-month and six-month periods ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2023. These interim condensed financial statements for the three-month and six-month periods ended 30 June 2024 are not affected significantly by seasonality of results. The results shown in these interim condensed financial statements may not be indicative of the annual results of the Company’s operations.

These interim condensed financial statements are prepared under the historical cost convention, using the accrual basis of accounting except for employees’ defined benefit liabilities which is recognised at the present value of future obligations using the projected unit credit method. These interim condensed financial statements are presented in Saudi Riyals (“SR”) which is the functional and presentation currency of the Company. All values are rounded to the nearest Saudi Riyal, except when otherwise indicated.

2.2 Material Accounting Policies Information and new standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Company.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company’s interim condensed financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Company’s interim condensed financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Company’s interim condensed financial statements.

The Fourth Milling Company (Owned by One Person)
(A Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2024

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

2.3 Significant accounting estimates

The preparation of the interim condensed financial statements in conformity with IAS 34 as endorsed in KSA requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments used in the preparation of these interim condensed financial statements are consistent with those used in preparation of the Company's annual financial statements for the year ended 31 December 2023.

3 SEGMENT INFORMATION

The operations of the Company are mainly in the Kingdom of Saudi Arabia in three branches: Dammam, Madinah and Kharj. For management reporting purpose, the Company is organised into these business units which are identified as reportable segments. No operating segments have been aggregated to form the above reportable operating segments.

Chief Executive Officer ("CEO") is the Chief Operating Decision Maker ("CODM") who monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently in the interim condensed financial statements. Also, zakat and income tax are managed on a head office level and are not allocated to operating segments. All reportable segments have similar type of products. There are no inter-segment transfers during the period.

The selected financial information for these branches is as follows:

<i>For the six-month period ended 30 June 2024 (unaudited)</i>	<i>Dammam</i>	<i>Madinah</i>	<i>Kharj</i>	<i>Head office</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Revenue	125,305,023	98,160,252	84,988,817	-	308,454,092
Materials consumed	(42,110,654)	(22,306,888)	(36,901,396)	-	(101,318,938)
Employees' costs	(10,464,334)	(10,803,965)	(7,498,943)	(14,901,220)	(43,668,462)
Depreciation and amortisation	(7,762,939)	(11,926,004)	(5,956,133)	(598,954)	(26,244,030)
Other expenses	(13,618,352)	(16,853,128)	(11,430,568)	(3,383,121)	(45,285,169)
Finance costs	(3,038,755)	(2,246,940)	(236,969)	(164,860)	(5,687,524)
Finance income	-	-	-	2,977,258	2,977,258
Other income	44,505	16,952	61,155	-	122,612
Segment profit (loss)	48,354,494	34,040,279	23,025,963	(16,070,897)	89,349,839

<i>For the six-month period ended 30 June 2023 (unaudited)</i>	<i>Dammam</i>	<i>Madinah</i>	<i>Kharj</i>	<i>Head office</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Revenue	127,736,819	87,303,100	62,160,431	-	277,200,350
Materials consumed	(45,412,787)	(27,745,460)	(19,152,788)	-	(92,311,035)
Employees' costs	(9,520,920)	(10,235,149)	(7,126,805)	(11,242,656)	(38,125,530)
Depreciation and amortisation	(8,203,916)	(11,901,604)	(6,845,774)	(332,445)	(27,283,739)
Other expenses	(13,380,790)	(13,807,586)	(6,496,825)	(6,454,603)	(40,139,804)
Finance costs	(2,473,863)	(1,192,036)	(131,526)	(143,723)	(3,941,148)
Finance income	-	-	-	2,917,443	2,917,443
Other income	225,814	83,878	22,862	47,969	380,523
Segment profit (loss)	48,970,357	22,505,143	22,429,575	(15,208,015)	78,697,060

The Fourth Milling Company (Owned by One Person)
(A Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2024

3 SEGMENT INFORMATION (continued)

<i>For the three-month period ended 30 June 2024 (unaudited)</i>	<i>Dammam</i>	<i>Madinah</i>	<i>Kharj</i>	<i>Head office</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Revenue	58,122,320	41,487,039	38,513,329	-	138,122,688
Materials consumed	(19,277,335)	(10,638,903)	(16,016,451)	-	(45,932,689)
Employees' costs	(5,282,264)	(5,188,304)	(3,697,991)	(8,092,321)	(22,260,880)
Depreciation and amortisation	(3,886,509)	(6,151,738)	(2,796,715)	(396,626)	(13,231,588)
Other expenses	(6,277,310)	(5,190,511)	(6,107,565)	(1,726,596)	(19,301,982)
Finance costs	(1,519,378)	(1,123,470)	(118,485)	(82,430)	(2,843,763)
Finance income	-	-	-	1,596,222	1,596,222
Other income	13,040	2,124	38,112	(23)	53,253
Segment profit (loss)	21,892,564	13,196,237	9,814,234	(8,701,774)	36,201,261

<i>For the three-month period ended 30 June 2023 (unaudited)</i>	<i>Dammam</i>	<i>Madinah</i>	<i>Kharj</i>	<i>Head office</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Revenue	54,537,798	33,945,980	26,674,077	-	115,157,855
Materials consumed	(20,126,148)	(10,032,019)	(8,173,397)	-	(38,331,564)
Employees' costs	(4,582,152)	(5,070,314)	(3,388,888)	(5,930,190)	(18,971,544)
Depreciation and amortisation	(4,109,235)	(5,970,930)	(3,427,738)	(169,845)	(13,677,748)
Other expenses	(5,435,799)	(9,506,420)	(2,303,132)	(451,179)	(17,696,530)
Finance costs	(1,236,932)	(596,018)	(65,763)	(71,861)	(1,970,574)
Finance income	-	-	-	1,492,495	1,492,495
Other income	209,851	47,070	438	2,048	259,407
Segment profit (loss)	19,257,383	2,817,349	9,315,597	(5,128,532)	26,261,797

<i>As of 30 June 2024 (unaudited)</i>	<i>Dammam</i>	<i>Madinah</i>	<i>Kharj</i>	<i>Head office</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Total assets	278,968,218	423,104,389	233,165,446	207,749,312	1,142,987,365
Total liabilities	(188,422,057)	(210,513,692)	(34,913,679)	(25,395,797)	(459,245,225)
Other disclosures:					
Property, plant and equipment	94,183,635	216,467,109	208,271,229	2,174,924	521,096,897
Capital expenditures	2,421,429	454,634	4,007,084	131,229	7,014,376
Right of use assets	154,429,555	177,021,403	18,520,526	4,369,663	354,341,147
Intangible assets	-	-	-	57,733,140	57,733,140
Inventories	25,914,918	22,194,454	6,510,342	-	54,619,714

<i>As of 31 December 2023 (audited)</i>	<i>Dammam</i>	<i>Madinah</i>	<i>Kharj</i>	<i>Head office</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Total assets	296,757,258	438,702,809	245,304,333	176,278,254	1,157,042,654
Total liabilities	(198,247,795)	(219,261,478)	(32,692,001)	(23,828,026)	(474,029,300)
Other disclosures:					
Property, plant and equipment	95,838,585	223,075,064	210,737,995	2,315,455	531,967,099
Capital expenditures	5,246,798	1,725,129	1,801,606	1,377,500	10,151,033
Right of use assets	158,115,982	180,955,211	18,932,093	4,487,761	362,491,047
Intangible assets	-	-	-	56,720,504	56,720,504
Inventories	29,687,578	18,999,851	7,268,411	12,332	55,968,172

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
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4 PROPERTY, PLANT AND EQUIPMENT

<i>Net book value</i>	<i>At 31 December 2023 (audited) SR</i>	<i>Additions during the period SR</i>	<i>Depreciation charge for the period SR</i>	<i>Transfers SR</i>	<i>At 30 June 2024 (unaudited) SR</i>
Buildings	187,646,425	-	(4,559,146)	1,329,299	184,416,578
Plant and machinery	330,547,810	3,167,699	(12,473,120)	3,226,642	324,469,031
Furniture and fittings	1,790,995	34,678	(158,566)	-	1,667,107
Computer equipment	3,844,876	121,180	(456,841)	697,504	4,206,719
Motor vehicle	646,741	-	(236,905)	-	409,836
Capital work in progress**	7,490,252	3,690,819	-	(5,253,445)	5,927,626
Total	531,967,099	7,014,376	(17,884,578)	-	521,096,897

<i>Net book value</i>	<i>At 31 December 2022 (audited) SR</i>	<i>Additions during the period SR</i>	<i>Depreciation charge for the period SR</i>	<i>Transfers SR</i>	<i>Reclassified from inventories***</i>	<i>At 31 December 2023 (audited) SR</i>
Buildings	196,249,112	137,897	(9,106,034)	365,450	-	187,646,425
Plant and machinery	332,454,763	4,722,577	(24,687,354)	5,462,280	12,595,544	330,547,810
Furniture and fittings	1,775,611	267,459	(304,189)	52,114	-	1,790,995
Computer equipment	4,472,739	277,839	(905,702)	-	-	3,844,876
Motor vehicle	1,135,292	-	(488,551)	-	-	646,741
Capital work in progress	9,508,081	3,862,015	-	(5,879,844)	-	7,490,252
Total	545,595,598	9,267,787	(35,491,830)	-	12,595,544	531,967,099

Buildings are built on land leased from the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organization (“SAGO”)) with an annual rental value of SR 12.7 million. The initial term of the land lease is 25 calendar years commencing from 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017), which was adjusted in 2021 to match with the duration of flour milling license (30 November 2046). The lease is renewable automatically subject to renewal of Company’s milling license.

** Capital work in progress mainly consist of:

- the project of installing scaling machines in Dammam and Kharj Branch; and
- New packing line in Kharj Branch.

Expected completion date is end of December 2024 and the capital commitments relating to this amount is SR 2,501,177 (31 December 2023: SR 3.1 million).

*** During the year ended 31 December 2023, management has assessed that certain capital spares with a cost of SR 15,880,144 and provision for slow-moving inventories of SR 3,284,600 have useful life of above 1 year and hence it meets the criteria of capitalisation under property, plant and equipment. Consequently, management has reclassified SR 12.59 million from inventories to property, plant and equipment.

Depreciation has been allocated as follows:

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Direct costs for the period / year	16,031,843	30,521,749
General and administration for the period / year	1,506,438	1,549,969
Selling and distribution for the period / year	346,297	3,420,112
Total charge for the period / year	17,884,578	35,491,830

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5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company entered into a lease agreement with the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organization (“SAGO”)) for the rental of silos for the purpose of storing wheat, flour and feed. The term of the lease is 25 calendar years commencing from 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017), which was adjusted in December 2021 to match with the duration of flour milling license upto 30 November 2046. and is renewable automatically subject to renewal of Company’s milling license. The estimated useful lives of leased assets for amortising right-of-use assets purposes are 25 years.

The Company has entered into land leases for business units. The initial term of the land lease is 25 calendar years commencing from 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017), which was adjusted in 2021 to match with the duration of flour milling license (i.e., 30 November 2046). These leases do not transfer ownership of the assets to the lessor at the end of the lease. The estimated useful lives of right-of-use assets are 25 years and ending on 30 November 2046.

The Company’s obligations under its leases are secured by the lessor’s title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

Movement in right-of-use assets is presented below:

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	362,491,047	385,512,508
Lease modification	-	(3,736,067)
Depreciation charge for the period / year	(8,149,900)	(19,285,394)
At the end of the period / year	354,341,147	362,491,047

Movement in lease liabilities is presented below:

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	402,254,418	420,874,762
Lease modification	-	(3,736,067)
Accretion of interest for the period / year	5,687,524	7,882,296
Payments during the period / year	(22,986,091)	(22,766,573)
At the end of the period / year	384,955,851	402,254,418
Bifurcated into:		
Current portion	22,986,091	22,986,091
Non-current portion	361,969,760	379,268,327

Depreciation has been allocated as follows:

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Direct costs for the period / year	7,683,756	16,705,796
General and administration for the period / year	198,418	676,842
Selling and distribution for the period / year	267,726	1,902,756
Total charge for the period / year	8,149,900	19,285,394

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6 INTANGIBLE ASSETS

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	56,720,504	55,870,767
Additions during the period / year	1,222,188	883,246
Amortisation charge for the period / year	(209,552)	(33,509)
At the end of the period / year	57,733,140	56,720,504

Intangible assets include trademark amounting SR 50,102,500 which has indefinite useful life. The Company has performed its impairment test for intangible asset with indefinite useful life on 31 December 2023. The recoverable amount of the asset of SR 66 million as at 31 December 2023 has been determined based on a value-in-use calculation using cash flow projections from financial budgets reviewed by senior management covering a five-year period. The weighted average cost of capital ("WACC") applied to cash flow projections is 11.7%. As at 31 December 2023, the value-in-use of the asset was higher than the net assets value of the Company, indicating no impairment of trademark. There has been no significant change in assumptions as of the reporting date, compared to 31 December 2023.

It also includes software under implementation with net book value of SR 7.7 million which went live in April 2024.

7 INVENTORIES

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Spare parts and others	34,828,104	36,789,364
Raw materials	30,889,501	28,150,915
Finished goods *	5,492,768	7,636,514
Other inventories	23,172	5,210
Less: provision for slow moving inventories and scrap items	(16,613,831)	(16,613,831)
	54,619,714	55,968,172

* The cost of finished goods includes direct costs and indirect costs, indirect costs are allocated based on the quantities produced.

8 PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Advance to suppliers	5,318,758	10,199,235
Prepaid expenses	4,088,440	2,499,415
Margin against letter of guarantees	3,447,914	2,625,640
Accrued income on Islamic short-term Murabaha deposits	866,865	140,645
VAT receivable	817,920	-
Other receivables	356,868	109,957
	14,896,765	15,574,892

9 ACCOUNTS RECEIVABLES

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Accounts receivables	10,242,819	6,094,901
Less: Provision for expected credit loss	(2,363,005)	(884,367)
	7,879,814	5,210,534

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2024

10 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent the Shareholder and key management personnel of the Company, and entities controlled or significantly influenced by such parties. The terms of the transactions with related parties are approved by the Company's management and shareholders.

Name of related party	Nature of relationship
Gulf Flour Milling Industrial Company	Shareholder
Abdullah Alothaim Markets Company	Ultimate shareholder
United Feed Manufacturing Company	Ultimate shareholder
Allana International Limited Company	Ultimate shareholder
Riyadh Food Industries Company	Affiliate
Pure food corporations	Affiliate

Following table provides the total amount of transactions that have been entered into with related parties during the three-month and six-month periods ended 30 June 2024 and 30 June 2023:

Transactions for the six-month period ended 30 June 2024 and 30 June 2023:

	Nature of transaction	Amount of transaction (SR)	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Zod Factory for Pastries and Bakeries, a branch of Al-Othaim Markets Company	Revenue	445,326	205,459
	Collections	347,881	400,955
Riyadh Food Industries Company	Revenue	-	290,629
	Collections	-	223,271
Abdullah Al-Othaim Markets Company	Revenue	5,143,376	6,191,797
	Collections	4,938,408	4,051,603
	Shared services	-	517,546
	Sales support services	417,814	309,409
United Feed Manufacturing Company	Revenue	23,209,770	32,437,940
	Collections	21,400,000	32,775,000
Pure Food Corporations	Revenue	2,723,940	1,971,295
	Collections	2,532,494	1,366,679
	Sales support services	254,928	-
Gulf Flour Milling Industrial Company	IPO costs charged	3,795,719	-
	Collections	3,537,513	-

Transactions for the three-month period ended 30 June 2024 and 30 June 2023:

	Nature of transaction	Amount of transaction (SR)	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Zod Factory for Pastries and Bakeries, a branch of Al-Othaim Markets Company	Revenue	346,993	205,459
	Collections	178,017	165,847
Riyadh Food Industries Company	Revenue	-	48,438
	Collections	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2024

10 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Transactions for the three-month period ended 30 June 2024 and 30 June 2023 (continued):

	Nature of transaction	Amount of transaction (SR)	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Abdullah Al-Othaim Markets Company	Revenue	75,773	3,169
	Collections	1,769,355	3,515,814
	Shared services	-	517,546
	Sales support services	417,814	19,174
United Feed Manufacturing Company	Revenue	10,713,299	12,440,612
	Collections	10,600,000	12,480,490
Pure Food Corporations	Revenue	596,589	97,007
	Collections	1,673,807	360,944
	Sales support services	254,928	-
Gulf Flour Milling Industrial Company	IPO costs charged	3,795,719	-
	Collections	3,537,513	-

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Amounts due from related parties		
Abdullah Al-Othaim Markets Company	1,072,708	1,285,554
United Feed Manufacturing Company	319,127	-
Gulf Flour Milling Industrial Company	258,206	21,190,702
Zod Factory for Pastries and Bakeries, a branch of Abdullah Al-Othaim Markets Company	168,976	71,531
Pure Food Cooperation	108,160	171,642
Riyadh Food Industries Company	47,507	47,507
	1,974,684	22,766,936
Amounts due to a related party		
United Feed Manufacturing Company	-	1,490,643
	-	1,490,643

Compensation of key management personnel of the Company

The compensation of the Company's key management personnel includes salaries and other benefits. Amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Board and committees' expenses, rewards and allowances during the period amounts to SR 1,526,691 (30 June 2023: SR 49,283).

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
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10 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

	For the three-month period ended		For the six-month period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
	SR	SR	SR	SR
Short-term employee benefits	954,609	989,828	2,526,038	1,979,656
Long-term employee benefits	72,830	44,876	139,039	99,182

11 CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
	SR	SR
Islamic short-term Murabaha deposits*	103,585,655	82,967,570
Cash at bank	26,781,734	23,287,854
Cash in hand	77,815	88,046
	130,445,204	106,343,470

(*) *Islamic short-term Murabaha deposits are deposited with banks for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earns interest at floating rate based on daily bank deposit rate. Effective interest rate is 5.51%.*

12 SHARE CAPITAL

The Company's authorised, issued and paid-up share capital is divided into 540,000,000 shares of SR 1 each (31 December 2023: 47,390,317 shares of SR 10 each), owned by Gulf Flour Milling Industrial Company ("the Shareholder").

The ultimate shareholding of the Company as at 30 June 2024 and 31 December 2023 is disclosed below:

<u>Ultimate shareholder</u>	<u>%age ownership</u>
Abdullah Al-Othaim Markets Company	33.33%
United Feed Manufacturing Company	33.33%
Allana International Limited Company	33.33%
	100%

Proposed increase in share capital

On 14 Jumada Al-Akhirah 1445H (corresponding to 27 December 2023), the Shareholder of the Company passed a resolution of the Extraordinary General Assembly of the Company to increase the Company's share capital from SR 473,903,170 to SR 540,000,000 through the transfer of SR 40,017,406 from the account of "retained earnings" and SR 26,079,424 from the account of "statutory reserve" respectively and to split the nominal value of the share from SR 10 per share to SR 1 per share. Legal formalities in this regard have been completed on 27 Jumada Al-Akhirah 1445H (corresponding to 9 January 2024).

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2024

13 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Accrued employees' costs	9,952,564	9,664,067
Accrued customer discounts	4,633,645	628,425
Accrual for inventories received	1,508,079	-
Accrued utilities expense	1,344,640	1,072,592
Accrued marketing and promotions	734,936	295,425
Accrual for General Organization for Social Insurance ("GOSI")	649,361	99,847
Accrual for professional fees	493,106	4,987,500
Value added tax ("VAT") payable	-	3,116,943
Accrued rent	-	5,130,308
Other accruals	1,983,683	1,732,906
	21,300,014	26,728,013

14 ZAKAT AND INCOME TAX

Movement in zakat and income tax provision during the period were as follows:

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	919,583	13,846,462
Charge for the period / year	6,607,733	9,061,090
Payments during the period / year	(2,745,766)	(21,987,969)
At the end of the period / year	4,781,550	919,583

Deferred tax

Deferred taxes are recognised for all taxable temporary differences and all deductible temporary differences, carry forward of unused tax credits and unused tax losses only to the extent that it is probable that taxable profit will be available against which these assets can be utilised. Cumulative impact of deferred tax was recorded in the statement of profit or loss for the first time during the year ended 31 December 2023.

Status of zakat and income tax assessment

The Company was subject to zakat and income tax from 1 December 2021 as previously its share capital was from public funds in accordance with the decision of the Zakat, Tax and Customs Authority ("ZATCA"). The Company has submitted its zakat and income tax return for a period from 1 December 2021 to 31 December 2021 and for the year ended 31 December 2022 and 31 December 2023, however assessment has not been raised by ZATCA.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

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15 REVENUE

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	SR	SR	SR	SR
Flour	92,352,746	72,994,030	211,066,380	178,770,857
Bran	37,682,520	32,027,535	84,548,754	77,988,741
Feed	10,996,574	12,283,268	21,652,742	28,250,618
	141,031,840	117,304,833	317,267,876	285,010,216
Less: Discount and promotions	(2,909,152)	(2,146,978)	(8,813,784)	(7,809,866)
	138,122,688	115,157,855	308,454,092	277,200,350

The Company sells its goods based on sale orders from customers, majority of which is secured by the advance receipts of value of goods. The sale of goods by the Company is recognised at a point in time basis. The performance obligation is satisfied at time of dispatch of goods from the warehouse.

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	SR	SR	SR	SR
Type of sector				
Corporate sector	129,669,094	106,849,674	286,456,482	244,832,722
Individual sector	6,006,914	5,986,784	11,201,973	20,810,977
Hypermarkets	2,446,680	2,321,397	10,795,637	11,556,651
	138,122,688	115,157,855	308,454,092	277,200,350

16 DIRECT COSTS

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	SR	SR	SR	SR
Materials consumed	45,932,689	38,331,564	101,318,938	92,311,035
Employees' costs	10,855,124	10,855,250	21,861,284	22,444,452
Depreciation of property, plant and equipment	8,081,260	7,612,139	16,031,843	15,166,625
Depreciation of right-of-use assets	3,841,878	4,176,449	7,683,756	8,352,898
Fuel and power	4,023,987	3,110,504	8,333,033	6,748,497
Transportation	1,385,093	135,276	3,118,676	954,767
Insurance	745,442	852,230	1,491,041	1,641,614
Maintenance	517,234	577,980	1,104,758	1,312,807
Subscriptions	266,996	702,074	692,383	1,114,014
Rent	172,000	167,774	344,000	339,774
Professional and consultancy services	406,481	-	428,050	-
Other direct costs	820,863	275,686	1,240,991	522,389
	77,049,047	66,796,926	163,648,753	150,908,872
Finished goods at the beginning of the period	8,090,340	7,784,460	7,636,514	6,175,233
Total production cost prepared for sale during the period	85,139,387	74,581,386	171,285,267	157,084,105
Finished goods at the end of the period	(5,492,768)	(5,684,454)	(5,492,768)	(5,684,454)
	79,646,619	68,896,932	165,792,499	151,399,651

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
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17 SELLING AND DISTRIBUTION EXPENSES

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	SR	SR	SR	SR
Transportation and shipping charges	4,446,806	2,884,027	10,400,053	7,786,116
Marketing and advertising costs	463,215	3,498,695	4,240,302	7,768,591
Consumer product sell-out to hypermarkets	860,311	1,422,907	4,074,399	1,422,907
Employees' costs	1,962,963	2,472,571	3,983,950	4,710,618
Expected credit losses of accounts receivables	(463,158)	(288,347)	1,478,638	209,869
Depreciation of property, plant and equipment	43,904	852,376	346,297	1,698,508
Fuel and power	115,330	356,765	399,091	773,856
Depreciation of right-of-use assets	133,863	475,688	267,726	951,378
Sales support services	297,478	278,463	615,820	568,698
Insurance	93,414	106,121	194,388	196,855
Rent	9,157	12,222	18,212	21,095
Professional and consultancy fees	56,000	-	58,479	-
Other expenses	211,133	166,154	355,454	308,486
	8,230,416	12,237,642	26,432,809	26,416,977

18 GENERAL AND ADMINISTRATION EXPENSES

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	SR	SR	SR	SR
Employees' costs	9,442,793	5,643,723	17,823,228	10,970,460
Depreciation of property, plant and equipment	830,677	383,687	1,506,438	759,603
Professional and consultancy services	1,096,466	349,080	1,707,274	1,220,580
Insurance	420,809	281,657	765,121	457,855
Maintenance	43,745	405,223	259,078	746,602
Fuel and power	108,742	119,307	285,129	251,172
Communication	290,461	144,423	453,631	276,239
Depreciation of right-of-use assets	99,209	169,211	198,418	338,421
Amortisation of intangible assets	200,797	8,198	209,552	16,306
Other expenses	316,405	38,303	1,083,422	927,037
	12,850,104	7,542,812	24,291,291	15,964,275

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2024

19 EARNINGS PER SHARE

Basic earnings per share (“EPS”) is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period. The number of shares for the three-month and six-month periods ended 30 June 2023 has been adjusted retrospectively to reflect the shares split (note 12). Since the change in number of shares outstanding during the year ended 31 December 2023 was due to increase in share capital and change in nominal value of shares, number of shares outstanding for all periods presented was adjusted retrospectively.

Following table reflects the income and share data used in the basic and diluted EPS computations:

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2024 (Unaudited) SR</i>	<i>30 June 2023 (Unaudited) SR</i>	<i>30 June 2024 (Unaudited) SR</i>	<i>30 June 2023 (Unaudited) SR</i>
Profit for the period	33,147,443	23,415,889	81,764,746	68,928,667
Weighted average number of ordinary shares for basic and diluted EPS	540,000,000	540,000,000	540,000,000	540,000,000
Earnings per share – basic and diluted	0.06	0.04	0.15	0.13

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of the interim condensed financial statements.

20 DIVIDENDS

In its meeting held on 11 Jumada Al-Ula 1445H (corresponding to 5 December 2022), the Ordinary General Assembly of the Company has authorised the Board of Directors to distribute interim dividends on a quarterly or semi-annual basis for the fiscal year 2023 and 2024.

For the six-month period ended 30 June 2024, the Board of Directors resolved to distribute interim cash dividends as below:

- SR 14 million on 27 Rajab 1445H (corresponding to 8 February 2024); and
- SR 67 million on 1 Thul-Qi’dah 1445H (corresponding to 9 May 2024).

In the prior period ended 30 June 2023, the Board of Directors resolved to distribute SR 100 million as interim cash dividends.

21 CONTINGENT LIABILITIES

As of 30 June 2024, the Company had contingent liabilities arose during its normal business cycle and related to letters of credit and letters of guarantee of SR 3.4 million (31 December 2023: SR 2.6 million).

22 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company’s capital and financial risk management strategies have not changed significantly since the last year end. All financial assets and financial liabilities of the Company are classified and measured at amortised cost.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company’s financial asset consists of cash and cash equivalents, accounts receivables, amounts due from related parties and other receivables. Its financial liabilities consist of accounts payables, amounts due to a related party, dividends payable and lease liabilities.

Management believes that the fair value of the financial instruments of the Company at the reporting date approximate their carrying value.

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24 RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

During the year ended 31 December 2023, the Company restated certain amounts and balances included in the prior periods financial statements to reflect appropriate accounting treatment and classification. The details of each of such restatements have been summarised below:

Restatement - 1

During the year ended 31 December 2023, management of the Company has identified that they have not reassessed the value of lease liabilities after obtaining flour milling license in 2021. Management has done the reassessment during the year and as a result, the right-of-use assets and lease liabilities were understated. The error has been corrected by restating each of the affected financial statement line items for the prior period opening balance.

Restatement - 2

During the year ended 31 December 2023, management discovered that the useful life of the buildings that are built on leased land in prior periods were erroneously based on the economic life of the buildings instead of the lease term. Consequently, the carrying value of buildings were overstated and the related accumulated depreciation was understated.

The above-mentioned errors have been corrected by restating each of the affected financial statement line items for the prior periods. Following tables summaries the impacts on the Company's financial statements:

At 31 December 2022

	<i>Previously stated (SR)</i>	<i>Restatement (SR)</i>	<i>Restated (SR)</i>
STATEMENT OF FINANCIAL POSITION			
Right-of-use assets	273,735,030	111,777,478	385,512,508
Lease liabilities	309,097,284	111,777,478	420,874,762
Property, plant and equipment	562,012,297	(16,416,699)	545,595,598
Retained earnings	255,402,469	(16,416,699)	238,985,770

25 EVENTS AFTER THE REPORTING DATE

No significant subsequent event since the six-month period ended 30 June 2024 that would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

26 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorised for issuance by the Company's Board of Directors on 2 Safar 1446H (corresponding to 6 August 2024).